

EXHIBIT B
BUDGET DETAIL AND PAYMENT PROVISION

1. **BUDGET CONTINGENCY CLAUSE:** It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.
2. **FISCAL LANGUAGE:** It is mutually understood between the parties that this is a multi-year contract which may have been written before ascertaining the availability of the legislative appropriation of funds for the period covered. It was written for the mutual benefit of both parties to avoid program and fiscal delays.

This contract, so far as it relates to the State and Participating Agencies, is valid and enforceable only if sufficient funds are made available to the Participating Agencies by the California State Legislature for the purpose of this program. In addition, this contract is subject to any special restrictions, limitations, conditions, any statute enacted by the State Legislature that may affect the provisions, terms or funding of this contract in any manner. Each Participating Agency has a financial obligation under this Agreement or the related Addendum to determine that existing appropriations are available, sufficient in amount to pay for such purchases or such other financial obligations.

The parties mutually agree that if the State Legislature does not appropriate sufficient funds for the program, this contract shall be amended to reflect any reduction in funds.

Each Participant has the option to terminate its participation, or to amend its contract, to reflect any reduction in funds.

EXHIBIT C

GENERAL TERMS AND CONDITIONS

1. **APPROVAL:** This Agreement is of no force or effect until signed by both parties and approved by the Department of General Services, if required. Contractor may not commence performance until such approval has been obtained.
2. **AMENDMENT:** No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.
3. **ASSIGNMENT:** This Agreement is not assignable by the Contractor, either in whole or in part, without the consent of the State in the form of a formal written amendment.
4. **AUDIT:** Contractor agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement (GC 8546.7, PCC 10115 et seq., CCR Title 2, Section 1896).
5. **INDEMNIFICATION:** Contractor agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers and any other person, firm or corporation furnishing or supply work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Contractor in the performance of this Agreement.

6. TERMINATION FOR CAUSE: The state may terminate this Agreement and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination, the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due the Contractor under this Agreement and the balance, if any, shall be paid to the Contractor upon demand.
7. INDEPENDENT CONTRACTOR: Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.
8. RECYCLING CERTIFICATION: Contractor hereby certifies under penalty of perjury that a percentage (0% to 100%) of the materials, goods, supplies offered, or products used in the performance of this contract meet or exceed the minimum percentage of recycled material as defined in Section 12161 and 12220 of the PCC.
9. NON-DISCRIMINATION CLAUSE: During the performance of this Agreement, Contractor and its subcontractor shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer) age (over 40), marital status, and denial of family care leave. Contractor and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractors and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) et seq.) and applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.
10. TIMELINESS: Time is of the essence in this Agreement.
11. GOVERNING LAW: This contract is governed by and shall be interpreted in accordance with the laws of the State of California.

12. ANTITRUST CLAIMS:

- a. The Government Code Chapter on Antitrust claims contains the following definitions:
 - 1) “Public purchase” means a purchase by means of competitive bids of goods, services, or materials by the State or any of its political subdivisions or public agencies on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of Section 16750 of the Business and Professions Code.
 - 2) “Public purchasing body” means the State or the subdivision or agency making a public purchase. Government Code Section 4550
- b. In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the bidder for sale to purchasing body pursuant to the bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the bidder, Government code Section 4552.
- c. If an awarding body or public purchasing body receives, either through judgement or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery, Government Code Section 4554.
- d. Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and the (a) the assignee has not been injured thereby, or (b) declines to file a court action for the cause of action. See government code Section 4554.

13. **YEAR 2000 LANGUAGE:** “The Contractor warrants and represents that the goods or services sold, leased, or licensed to the State of California, its agencies, or its political subdivisions, pursuant to this contract are “Year 2000 Compliant.” For purposes of this contract, a good or services is Year 2000 compliant if it will continue to fully function before, at, and after the Year 2000 without interruption and, if applicable, with full ability to accurately and unambiguously process, display, compare, calculate, manipulate, and otherwise utilize date information. This warranty and representation supersedes all warranty disclaimers and limitations and all limitations on liability provided by or through the Contractor.”
14. **CHILD SUPPORT COMPLAINE ACT:** “For any contract in-excess of \$100,000, the contractor acknowledges in accordance with, that:
- a) the contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of part 5 of Division of the Family Code; and
 - b) the contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.”
15. **UNENFORCEABLE PROVISION:** In the event that any provisions of this Agreement is unenforceable or held o be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect shall not be effected thereby.

EXHIBIT D
SPECIAL TERMS AND CONDITIONS

CERTIFICATION LANGUAGE

1. STATEMENT OF COMPLIANCE: The Contractor's signature affixed hereon and dated shall constitute a certification under the penalty of perjury under the laws of the State of California that the Contractor has, unless exempted, complied with the nondiscrimination program requirements of Government code Section 12990 (a-f) and Title 2, California code regulations, Section 8103.
2. DRUG-FREE WORKPLACE CERTIFICATION: by signing this contract, the Contractor or grantee hereby certifies under penalty of perjury under the laws of the State of California that the Contractor or grantee will comply with the requirements of the Drug-Free Act of 1990 (Government Code Section 8350 et seq.) and will provide a drug-free workplace by taking the following actions:
 - a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355 (a).
 - b. Establish a Drug- Free Awareness Program as required by Government Code Section 8355 (b) to inform employees about all of the following:
 - 1) the dangers of drug abuse in the workplace;
 - 2) the person's or organization policy of maintaining a drug-free work workplace;
 - 3) any available counseling, rehabilitation and employee assistance program; and
 - 4) penalties that may be imposed upon employees for drug abuse violations.
 - c. Provide, as required by Government Code Section 8355 ©, that every employee who works on the proposed contract:
 - 1) will receive a copy of the company's drug-free policy statement; and
 - 2) will agree to abide by the terms of the company's statement as a condition of employment on the contract.

Failure to comply with these requirements may result in suspension of payments under the contract or termination of the contract or both and the Contractor or grantee may be ineligible for award or any future state contracts if the department determines that any of the following has occurred: (1) the Contractor or grantee has made false certification, or (2) violates the certification by failing to carry out the requirements as noted above.

3. NATIONAL LABOR RELATIONS BOARD CERTIFICATION: By signing hereon the Contractor swears under penalty of perjury that no more than one final, unappealable finding of contempt of court by a federal court has been issued against the Contractor within the immediately preceding two-year period because of the Contractor's failure to comply with an order of a federal court which orders the Contractor to comply with an order of a federal court which orders the Contractor to comply with an order of the National Labor Relations Board. This provision is required by, and shall be construed in accordance with Public Contract Code Section 10296.

DOING BUSINESS WITH THE STATE OF CALIFORNIA

1. LABOR CODE/WORKERS' COMPENSATION: Contractor needs to be aware of the provisions which require every employer to be insured against liability for Worker's compensation or to undertake self-insurance in accordance with the provisions, and Contractor affirms to comply with such provisions before commencing the performance of the work of this Agreement (Labor Code Section 3700).
2. AMERICANS WITH DISABILITIES ACT: Contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)
3. CONTRACTOR NAME CHANGE: An Amendment is required to change the Contractor's name as listed on this Agreement. Upon receipt of legal documentation of the name change, the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

4. CORPORATE QUALIFICATION TO DO BUSINESS IN CALIFORNIA: When agreements are to be performed in the state by corporations, the contracting agencies will verify that the contractor is currently qualified to do business in California in order to ensure that all obligations due to the state are fulfilled.

“Doing business” is defined in R &TC Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a incorporated contractor performing within the state not be subject to the franchise tax.

Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. Agencies will determine whether a corporation is in good standing by calling the Office of the Secretary of State.

5. AIR OR WATER POLLUTION VIOLATION: Under the State laws, the Contractor shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board of an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal relating to air or water pollution.

EXHIBIT E

ADDITIONAL PROVISIONS

1. OWNERSHIP OF DATA:

The State owns data filed with or collected by the Contractor in both hardcopy, electronic and Internet formats. Data, in all forms, is the property of the State of California and copyrights, trademarks, servicemarks, or patents will not be filed that infringe on the exclusive ownership by the State.

2. RIGHTS IN DATA:

All deliverables as defined in the Ordering Agency's Statement of Work originated or prepared by the contractor pursuant to this agreement including papers, reports, charts, and other documentation, but not including Contractor's administrative communications and records relating to this Agreement shall be delivered to and shall become the exclusive property of the State and may be copyrighted by the State.

The ideas, concepts, know-how, or techniques relating to the subject matter of each individual project, developed during the course of this Agreement by the contractor or jointly by the contractor and the State can be used by either party in any way it may deem appropriate.

All inventions, discoveries or improvements of the techniques or programs or materials developed pursuant to this agreement shall be the property of the State. The State agrees to grant a nonexclusive royalty-free license for any such invention, discovery, or improvement to the Contractor or any other such person and further agrees that the Contractor or any other such person may sublicense additional persons on the same royalty-free basis.

This Agreement shall not preclude the Contractor from developing materials outside this agreement, which are competitive, irrespective of their similarity to materials which might be delivered to the State pursuant to this agreement. Pursuant to this Agreement, all preexisting intellectual property, copyrights, trademarks and products shall be the sole property of the Contractor.

3. SETTLEMENT OF DISPUTES:

- a. The parties shall deal in good faith and attempt to resolve potential disputes informally. If the dispute persists, Contractor shall submit to the Department Director or designee a written demand for a final decision regarding the disposition of any dispute between the parties arising under, related to or involving this contract, unless the State, on its own initiative, has already rendered such a final decision. Contractor's written demand shall be fully supported by factual information, and if such demand involves a cost adjustment to the contract, Contractor shall include with the demand a written statement signed by an authorized person indicating that the demand is made in good faith, that the supporting data are accurate and complete and that the amount requested accurately reflects the contract

adjustment for which contractor believes the State is liable. If the Contractor is not satisfied with decision of the Department Director or designee, the Contractor may appeal the decision to the Department of General Services, Deputy Director, Procurement Division.

- b. Pending the final resolution of any dispute arising under, related to or involving this contractor agrees to diligently proceed with the performance of this contract, including the delivery or providing of services in accordance with the State's instructions. Contractor's failure to diligently proceed in accordance with the State's instructions shall be considered a material breach of the contract.
- c. Any final decision of the State shall be expressly identified as such, shall be in writing and shall be signed by the Department or designee or Deputy Director, Procurement Division, if an appeal was made. If the State fails to render a final decision within 90 days after the receipt of Contractor's demand, it shall be deemed a final decision adverse to Contractor's contentions. The State's final decision shall be conclusive and binding regarding the dispute unless Contractor commences an action in a court of competent jurisdiction contest such decision within 90 days following the date of the final decision or one (1) year following the accrual of the cause of action, whichever is later.

4. EVALUATION OF CONTRACTOR:

Performance of the Contractor under this agreement will be evaluated. The evaluation shall be prepared on the Contract/Contractor Evaluation Sheet, STD. 4 and maintained in the agreement file. For consultant agreements, a copy of the evaluation will be sent to the Department of General Services, Office of legal services, if it is a negative and over \$5,000.00.

5. AGENCY LIABILITY:

The Contractor warrants by execution of this Agreement, that no person or selling agency has been employed or retained to solicit or secure this Agreement upon agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the State shall, in addition to other remedies provided by law, have the right to annul this Agreement without liability, paying only for the value of the work actually performed, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

6. POTENTIAL SUBCONTRACTORS:

Nothing contained in this Agreement or otherwise shall create any contractual relationship between the State and any subcontractors, and no subcontractor shall relieve the Contractor of its responsibilities and obligations hereunder. The Contractor agrees to be fully responsible to the State for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Contractor. The Contractor's obligation to pay its subcontractors is an

independent obligation from the State's obligation to make payments to the Contractor. As a result, the State shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.

7. FORCED, CONVICT AND INDENTURED LABOR:

In accordance with PCC Section 6108, Contractor warrants that no foreign-made equipment, materials, or supplies furnished to the State pursuant to this contract are produced in whole or in part by forced labor, convict labor, or indentured labor.

8. CONFIDENTIALITY OF DATA:

All financial, statistical, personal, technical and other data and information relating to the State's operation which are designated confidential by the State and made available to the Contractor in order to carry out this Agreement, or which become available to the Contractor in carrying out this agreement, shall be protected by the Contractor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the State. The identification of all such confidential data and information as well as the State's procedural requirements for protection of such data and information from unauthorized use and disclosure shall be provided by the State in writing to the Contractor. If the methods and procedures employed by the Contractor for the protection of the Contractor's data and information are deemed by the State to be adequate for the protection of the State's confidential information, such methods and procedures may be used, with the written consent of the State, to carry out the intent of this paragraph. Contractor shall not be required under the provisions of this paragraph to keep confidential any data or information which is or becomes publicly available, is already rightfully in the Contractor's possession, is independently developed by the Contractor outside the scope of this Agreement, or is rightfully obtained from third parties.

9. CONTRACTS FUNDED BY THE FEDERAL GOVERNMENT:

It is mutually understood between the parties that this contract may have been written before ascertaining the availability of congressional appropriation of funds, for the mutual benefit of both parties, in order to avoid program and fiscal delays which would occur if the contract were executed after that determination was made.

This contract is valid and enforceable only if sufficient funds are made available to the State by the United States Government for the current and/or subsequent years covered by this agreement for the purposes of this program. In addition, this contract is subject to any additional restrictions, limitations, or conditions enacted by the Congress or any statute enacted by the congress, which may affect the provisions, terms, or funding of this contract in any manner.

It is mutually agreed that if the Congress does not appropriate sufficient funds for the program, this contract shall be amended to reflect any reduction in funds.

The department has the option to void the contract under the 30-day cancellation clause or amend the contract to reflect any reduction of funds. The recipient shall comply the single Audit Act and the reporting requirements set forth in OMB Circular A-133.

10. RIGHT TO TERMINATE:

The State reserves the right to terminate this agreement subject to 30 days written notice to the Contractor.

a. Cause:

The agreement may be immediately terminated for cause. The term “for cause” shall mean that the Contractor fails to meet the terms, conditions, and/or responsibilities of the contract. In this instance, the contract termination shall be effective as of the date indicated on the State’s notification to the Contractor.

b. Convenience of the State:

The State may terminate performance of work under this contract for its convenience in whole or, from time to time, in part, if the Department of General Services, Deputy director, Procurement Division, or designee, determines that a termination is in the State’s interest. The Department of General Services, Deputy Director, Procurement Division, designee, shall terminate by delivering to the contractor a designee, shall terminate by delivering to the contractor a Notice of Termination specifying the extent of termination and the effective date thereof. The parties agree that, as to the terminated portion of the contract, the contract

shall be deemed to remain in effect until such time as the termination deemed to remain in effect until such time as the termination settlement, if any, is concluded and the contract shall not be void.

After receipt of a Notice of Termination, and except as directed by the State, the contractor shall immediately proceed with the following obligations, as applicable regardless of any delay in determining or adjusting any amounts due under this clause. The Contractor shall:

- 1) Stop work as specified in the Notice of Termination.
- 2) Place no further subcontracts for materials, services, or facilities, except as necessary to complete the continued portion of the contract.
- 3) Terminate all subcontracts to the extent they relate to the work terminated.
- 4) Settle all outstanding liabilities and termination settlement proposals arising from the termination of subcontracts; the approval or ratification of which will be final for purposes of this clause.

11. FORCE MAJEURE:

Except for defaults of subcontractors, neither party shall be responsible for delays or failures in performance resulting from acts beyond the control and without the fault or negligence of the offending party. Such acts shall include but shall not be limited to acts of god, fire, flood, earthquake, other natural disaster, nuclear accident, strike, lockout, riot, freight embargo, public regulated utility, government statutes or regulations superimposed after the fact. If a delay or failure in performance by the Contractor arises out of a default of its subcontractor, and if the cause of the default is beyond the control of both Contractor and subcontractor, and without the fault or negligence of either, the Contractor shall not be liable for any excess costs for failure to perform, unless the services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required performance schedule.

12. CONFLICT OF INTEREST:

a. Current State Employees (Public Contract Code Section 10410):

No state officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.

No state officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

b. Former State Employees (Public contract Code Section 10411):

For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision making process relevant to the contract while employed in any capacity by an state agency.

For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving state service.

13. FOLLOW-ON CONTRACTS: (Public Contract Code 10365.5)

- (a) No person, firm or subsidiary thereof who has been awarded a consulting services contract may submit a bid for, nor be awarded a contract for, the provision of services, procurement of goods or supplies, or any other related action which is required, suggested, otherwise deemed appropriate in the end product of the consulting services contract.
- (b) Subdivision (a) does not apply to any person, firm, or subsidiary thereof who is awarded a subcontract of a consulting services contract which amounts to no more than 10 percent of the total monetary value of the consulting services contract.

14. PROGRESS PAYMENTS: (Public Contract Code 10379)

Contracts may provide for progress payments to Contractor for work performed or costs incurred in the performance of the contract. Not less than ten percent (10%) of the contract amount shall be withheld pending final completion of the contract and an evaluation of the contractor's performance. However, if the contract consists of the performance of separate and distinct task, then any funds so withheld with regard to a particular task may be paid upon completion of that task and evaluation of the contractor's performance.

No state agency shall make progress payments on a contract unless it first has established procedures, approved by the department, which will ensure that the work or services contracted are being delivered in accordance with the contract.

15. INSURANCE REQUIREMENTS:

Insurance companies must be acceptable to Department of General Services. If self-insured, review of financial information may be required.

Coverage needs to be in-force for complete term of contract. If insurance expires during the term of the contract, a new certificate must be received by the state at least ten (10) days prior to the expiration of this insurance. This new insurance must still meet the terms of the original contract.

Insurance policies shall contain a provision that states the coverage will not be cancelled without 30 days prior written notice to the state.

Contractor is responsible for any deductible or self-insured retention contained within the insurance program.

In the event Contractor fails to keep in effect at all times the specified insurance coverage, the state may, in addition to any other remedies it may have, terminate this contract upon the occurrence of such event, subject to the provisions of this Contract.

Any insurance required to be carried shall be primary, and not excess, to any other insurance carried by the state.

Contractor shall maintain general liability with limits of not less than \$1,000,000 per occurrence for bodily injury and property damage liability combined. The policy shall include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal and advertising injury, and liability assumed under an insured contract. This insurance shall apply separately to each insured against whom claim is made or suit is brought subject to the Contractor's limit of liability.

The policy must include the State of California, its officers, agents, employees and servants as additional insured, but only insofar as the operations under the contract are concerned.

EXHIBIT F ADMINISTRATIVE PROVISIONS

1. DGS ADMINISTRATIVE FEE:

- a. Department of General Services (DGS) represents that it charges each participating State and Local Agency an administrative fee for using the Master Agreement. The DGS administrative fee is a specified percentage of invoiced services. DGS shall annually set the percentage for such administrative fee and shall notify the Contractor of percentage set each year.
- b. The DGS administrative fee is currently set at **1.21%** of the invoiced amount. DGS will bill the customer agencies directly for the administrative fee.

2. MONTHLY REPORT:

- a. Contractor agrees to submit a monthly report to DGS for services performed under this contract. The monthly reports shall be submitted to DGS no later than the **5th of each month, or the next workday thereafter**. The monthly report will include the following information:

- (1) Date of each service
- (2) Customer name (department, agency, etc.)
- (3) Customer address
- (4) Customer contact person and telephone number
- (5) Invoice number issued by Contractor
- (6) Corresponding customer contract number
- (7) DGS customer billing code
- (8) Amount of invoice
- (9) Total DGS fee **to be billed**

Contractor shall deliver the monthly report in an electronic file with tab delimited text accessible in Word or Excel.

- b. The DGS administrative fee is currently set at **1.21%** of the invoiced amount. DGS will bill the customer agencies directly for the administrative fee.

3. PERSONNEL WORKING ON PROJECT:

Contractor agrees to provide prospective customers with the names, classification and resumes of personnel including subcontractors who will be used as principal, senior level, journey and administrative staff during project work period.

4. CONSULTING FEE DISCOUNT:

Contractor agrees that its hourly consulting fees can be reduced on an individual project basis.

5. PROJECT RELATED EXPENSES:

- a. Contractor personnel must be available to interview and work statewide. There shall be no increase in hourly rates for different locations. Project costs related to items such as travel, per diem and travel time to the designated base of operation for the project are costs of the contractor. The ordering agency shall not pay for such costs as a separate item. The ordering agency will also determine the base of operation for each project.
- b. The only travel exception will be when the Contractor is required to travel to multiple sites that are not located in the same city or general vicinity as part of the project and is specified in the project's scope of work. All travel must be preauthorized by the ordering agency for each agency. The exception does not pertain to on-site interviews.
- c. Contractor also may invoice the ordering agencies for training materials such manuals, videos, etc. as a separate line item from the consulting hours.

6. COMPLETION OF PROJECTS:

All orders issued under the Business and Management Consulting MSA must be completed within twelve (12) months following the expiration of the MSA.

7. PERFORMANCE BONDS:

Some orders issued under the Business and Management consulting MSA may require the Contractor to secure a performance bond. If so required, the Contractor shall furnish to the agency, at no cost to the State, a Performance Bond in the amount of fifty percent (50%) of the contracted price for services. The Bond shall be on a form from an admitted surety insurer and must guarantee Contractor's compliance with the terms of this contract. The Bond shall be purchased prior to commencement of work.

8. PROFESSIONAL ERRORS AND OMISSIONS INSURANCE:

Some orders issued under the Business and Management Consulting MSA may require the Contractor to provide proof of Professional Errors and Omissions Insurance covering any damages caused by an error, omission or any negligent acts. The ordering agency shall determine the minimum limits of the Professional Errors and Omissions Insurance to be provided at no cost to the State.

9. HOURLY RATE INCREASE:

Sixty (60) days prior to each contract anniversary date of the Business and Management Consulting MSA, Contractor may request, in writing, an hourly rate increase for each of the personnel classifications. The annual hourly rate increase will be subject to a maximum increase to the **lesser of five (5%) percent or the average increase in the National Consumer Price Index for All Urban Consumers (CPI-U) for the previous twelve (12) months**, as published by the U.S. Department of Labor, Bureau of Labor Statistics, Washington, DC. The hourly rate increase request only applies to current 12-month period and not previous 12-month periods.